



Unaudited financial statements of the Sava Re Group and Sava Re d.d 2018

Ljubljana, 21 February 2019

Key Figures – unaudited data of the Sava Re Group and Sava Re

(EUR, except percentages)	Sava Re Group		Sava Re	
	2018	2017	2018	2017
Total segments				
Operating revenues	540,457,734	492,353,713	143,406,470	137,407,141
Year-on-year change	9.8%	2.0%	4.4%	-3.7%
Gross premiums written	546,299,539	517,233,431	151,636,216	153,219,752
Year-on-year change	5.6%	5.5%	-1.0%	3.9%
Net return on revenue (net result / all income other than investment and commission income), excluding the effect of exchange differences	8.0%	6.5%	30.7%	25.6%
Net expense ratio, including all income other than from investing and excluding effect of exchange differences	32.5%	31.4%	33.2%	31.3%
Net inv. income of the investment portfolio	17,768,423	15,729,446	32,431,885	25,331,749
Return on the investment portfolio	1.6%	1.5%	6.9%	5.6%
Net inv. income of the investment portfolio, excluding the effect of exchange differences	17,922,647	21,660,810	32,528,406	30,815,290
Return on the investment portfolio, excluding the effect of exchange differences	1.7%	2.0%	6.9%	6.8%
Profit or loss before tax	55,260,572	39,880,983	45,021,864	34,763,864
Year-on-year change	38.6%	-1.9%	29.5%	-0.6%
Profit/loss, net of tax	43,011,849	31,094,908	41,867,497	32,974,192
Year-on-year change	38.3%	-5.5%	27.0%	0.3%
Comprehensive income	36,448,443	32,790,903	40,787,362	33,008,694
Year-on-year change	11.2%	12.9%	23.6%	-2.0%
Annualised return on equity	13.1%	10.1%	13.7%	11.7%
Net earnings or loss per share	2.76	2.00	2.70	2.13
Reinsurance + non-life				
Gross premiums written	457,228,348	427,151,909	151,636,216	153,219,752
Year-on-year change	7.0%	5.8%	-1.0%	3.9%
Net incurred loss ratio	57.0%	58.9%	57.5%	60.2%
Net incurred loss ratio, excluding the effect of exchange differences	57.0%	60.5%	57.7%	65.0%
Net expense ratio	34.2%	34.1%	33.7%	31.5%
Gross expense ratio	32.2%	31.5%	31.4%	28.7%
Net combined ratio	92.9%	94.4%	90.9%	93.1%
Net combined ratio, excluding the effect of exchange differences	92.9%	95.6%	90.8%	96.4%
Reinsurance + non-life + life				
Gross premiums written	544,080,496	515,114,700	151,636,216	153,219,752
Year-on-year change	5.6%	5.3%	-1.0%	3.9%
Net expense ratio	33.1%	32.6%	33.7%	31.5%
Gross expense ratio	31.6%	30.7%	31.4%	28.7%
Total segments	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total assets	1,705,796,119	1,708,348,067	606,331,055	580,886,180
Change on 31 Dec of prior year	-0.1%	2.2%	4.4%	2.2%
Shareholders' equity	340,175,455	316,116,895	319,355,361	290,966,155
Change on 31 Dec of prior year	7.6%	6.4%	9.8%	7.6%
Net technical provisions	1,103,231,374	1,127,139,014	212,735,857	212,565,592
Change on 31 Dec of prior year	-2.1%	1.6%	0.1%	2.2%
Book value per share	21.95	20.40	-	-
No. of employees (full-time equivalent basis)	2,416.7	2,388.8	110.1	96.5
Solvency ratio under Solvency II rules	-	220%	-	283%

Notes:

- For details on the calculation of ratios and the net investment income, see the glossary appended to the Group's most recent annual report.

- The net investment income of the investment portfolio does not include the net investment income relating to assets of policyholders who bear the investment risk since such assets do not affect the income statement. The mathematical provision of policyholders who bear the investment risk moves in line with this line item.
- Figures on return and net investment income of the investment portfolio for 2017 differ from those published in the 2017 annual report as the then published figures did not include investment property data relating to depreciation of equipment.

Unaudited consolidated financial statements

Unaudited consolidated statement of financial position

(€)	31/12/2018	31/12/2017
ASSETS	1,705,796,119	1,708,348,067
Intangible assets	37,765,469	22,712,944
Property, plant and equipment	42,893,432	45,438,014
Deferred tax assets	1,950,245	2,107,564
Investment property	19,847,524	15,364,184
Financial investments in associates	462,974	0
Financial investments:	1,008,097,470	1,038,125,019
- loans and deposits	33,542,347	28,029,543
- held to maturity	77,122,037	106,232,327
- available for sale	885,017,410	897,645,279
- at fair value through profit or loss	12,415,676	6,217,870
Funds for the benefit of policyholders who bear the investment risk	204,818,504	227,228,053
Reinsurers' share of technical provisions	27,292,750	30,787,241
Investment contract assets	135,586,965	129,622,131
Receivables	140,550,011	138,455,525
Receivables arising out of primary insurance business	126,533,761	124,324,547
Receivables arising out of reinsurance and co-insurance business	5,835,798	6,197,717
Current tax assets	169,727	17,822
Other receivables	8,010,725	7,915,439
Deferred acquisition costs	19,759,234	18,507,194
Other assets	2,064,220	2,043,395
Cash and cash equivalents	64,657,431	37,956,119
Non-current assets held for sale	49,890	684
EQUITY AND LIABILITIES	1,705,796,119	1,708,348,067
Equity	340,175,455	316,116,895
Share capital	71,856,376	71,856,376
Capital reserves	43,035,948	43,035,948
Profit reserves	183,606,914	162,548,076
Own shares	-24,938,709	-24,938,709
Fair value reserve	11,613,059	18,331,697
Reserve due to fair value revaluation	836,745	667,518
Retained earnings	35,140,493	33,093,591
Net profit or loss for the period	21,843,940	14,557,220
Translation reserve	-3,368,928	-3,353,304
Equity attributable to owners of the controlling company	339,625,838	315,798,413
Non-controlling interest in equity	549,617	318,482
Technical provisions	920,491,487	931,398,362
Unearned premiums	184,101,835	171,857,259
Technical provisions for life insurance business	254,849,366	271,409,915
Provision for outstanding claims	470,057,561	479,072,582
Other technical provisions	11,482,725	9,058,606
Technical provision for the benefit of life insurance policyholders who bear the investment risk	210,032,637	226,527,893
Other provisions	7,730,247	7,600,613
Deferred tax liabilities	3,378,091	5,781,494
Investment contract liabilities	135,441,508	129,483,034
Other financial liabilities	243,095	245,205
Liabilities from operating activities	54,736,601	60,598,188
Liabilities from primary insurance business	44,278,514	54,711,289
Liabilities from reinsurance and co-insurance business	6,176,032	5,160,183
Current income tax liabilities	4,282,055	726,716
Other liabilities	33,566,998	30,596,383

Unaudited consolidated income statement

(€)	2018	2017
Net earned premiums	504,669,701	470,865,993
Gross premiums written	546,299,539	517,233,431
Written premiums ceded to reinsurers and co-insurers	-26,942,852	-34,243,296
Change in gross unearned premiums	-11,415,695	-13,765,765
Change in unearned premiums, reinsurers' and co-insurers' shares	-3,271,291	1,641,623
Investment income	26,802,161	27,446,915
Interest income	16,459,186	18,607,327
Other investment income	10,342,975	8,839,588
Net unrealised gains on investments of life insurance policyholders who bear the investment risk	16,867,324	16,849,384
Other technical income	21,238,357	15,429,720
Commission income	3,634,682	2,870,868
Other technical income	17,603,675	12,558,852
Other income	14,549,676	6,058,000
Net claims incurred	-320,760,586	-296,103,320
Gross claims payments, net of income from recourse receivables	-342,556,518	-309,727,160
Reinsurers' and co-insurers' shares	12,460,118	15,846,528
Change in the gross claims provision	9,913,517	-2,931,960
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	-577,703	709,272
Change in other technical provisions	13,207,584	-2,179,849
Change in technical provisions for policyholders who bear the investment risk	15,962,680	-1,121,327
Expenses for bonuses and rebates	288,628	5,848
Operating expenses	-178,131,437	-156,962,328
Acquisition costs	-58,372,509	-51,949,127
Change in deferred acquisition costs	1,598,536	2,389,002
Other operating expenses	-121,357,464	-107,402,203
Expenses for investments in associates and impairment losses on goodwill	-151,130	0
Impairment loss on goodwill	-94,906	0
Loss arising out of the investment in the equity-accounted associate company	-56,224	0
Expenses for financial assets and liabilities	-9,604,451	-11,891,544
Impairment losses on financial assets not at fair value through profit or loss	-1,943,975	-320,000
Interest expense	-28,445	-718,860
Other investment expenses	-7,632,031	-10,852,684
Net unrealised losses on investments of life insurance policyholders who bear the investment risk	-23,498,245	-8,256,416
Other technical expenses	-23,305,829	-17,486,080
Other expenses	-2,873,861	-2,774,013
Profit or loss before tax	55,260,572	39,880,983
Income tax expense	-12,248,723	-8,786,075
Net profit or loss for the period	43,011,849	31,094,908
Net profit or loss attributable to owners of the controlling company	42,790,617	31,065,329
Net profit/loss attributable to non-controlling interests	221,232	29,579
Earnings per share (basic and diluted)	2.76	2.00

Financial statements of Sava Re

Unaudited statement of financial position

(€)	31/12/2018	31/12/2017
ASSETS	606,331,055	580,886,180
Intangible assets	892,724	807,011
Property and equipment	2,654,540	2,485,645
Deferred tax assets	1,867,370	1,238,826
Investment property	8,285,733	8,230,878
Financial investments in subsidiaries and associates	220,219,086	193,409,578
Financial investments:	244,291,434	250,781,685
- loans and deposits	10,107,498	12,840,885
- held to maturity	2,075,425	2,075,111
- available for sale	228,151,616	235,456,116
- at fair value through profit or loss	3,956,895	409,573
Reinsurers' share of technical provisions	21,437,221	20,073,571
Receivables	87,830,299	88,602,395
Receivables arising out of primary insurance business	82,518,635	85,167,822
Receivables arising out of reinsurance and co-insurance business	4,842,279	3,202,926
Other receivables	469,385	231,647
Deferred acquisition costs	7,821,932	7,778,499
Other assets	379,264	799,634
Cash and cash equivalents	10,651,452	6,678,458
EQUITY AND LIABILITIES	606,331,055	580,886,180
Equity	319,355,361	290,966,155
Share capital	71,856,376	71,856,376
Capital reserves	54,239,757	54,239,757
Profit reserves	184,424,862	163,491,114
Own shares	-24,938,709	-24,938,709
Fair value reserve	2,697,381	3,804,764
Reserve due to fair value revaluation	40,772	13,524
Retained earnings	10,101,172	6,012,233
Net profit or loss for the period	20,933,749	16,487,096
Technical provisions	234,173,078	232,639,163
Unearned premiums	47,147,505	47,602,457
Provision for outstanding claims	185,988,628	184,269,492
Other technical provisions	1,036,945	767,214
Other provisions	376,521	351,250
Other financial liabilities	87,504	91,182
Liabilities from operating activities	49,185,680	54,404,921
Liabilities from primary insurance business	44,039,129	51,160,114
Liabilities from reinsurance and co-insurance business	3,149,394	3,090,008
Current income tax liabilities	1,997,157	154,799
Other liabilities	3,152,911	2,433,509

Unaudited income statement

(€)	2018	2017
Net earned premiums	133,740,178	130,864,620
Gross premiums written	151,636,216	153,219,752
Written premiums ceded to reinsurers and co-insurers	-18,407,793	-18,907,314
Change in gross unearned premiums	454,952	-4,257,043
Change in unearned premiums, reinsurers' and co-insurers' shares	56,803	809,225
Income from investments in subsidiaries and associates	33,558,455	26,136,830
Investment income	10,953,196	9,652,630
Interest income	3,589,693	3,895,944
Other investment income	7,363,502	5,756,686
Other technical income	8,964,961	6,098,385
Commission income	2,530,359	1,934,678
Other income	6,434,602	4,163,707
Other income	701,331	444,136
Net claims incurred	-76,604,633	-78,583,967
Gross claims payments, net of income from recourse receivables	-82,687,678	-83,525,449
Reinsurers' and co-insurers' shares	6,495,334	5,982,760
Change in the gross claims provision	-1,719,136	-2,101,712
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	1,306,847	1,060,434
Change in other technical provisions	-268,920	-158,608
Expenses for bonuses and rebates	-811	85,678
Operating expenses	-47,563,317	-43,113,125
Acquisition costs	-34,848,052	-33,185,632
Change in deferred acquisition costs	43,433	880,778
Other operating expenses	-12,758,699	-10,808,271
Expenses for investments in subsidiaries and associates	-4,020,539	0
Expenses for financial assets and liabilities	-8,496,351	-10,551,329
Impairment loss on financial assets not measured at fair value through profit or loss	-1,943,974	-320,000
Interest expenses	0	-718,338
Other expenses	-6,552,377	-9,512,991
Other technical expenses	-5,662,287	-5,876,562
Other expenses	-279,399	-234,824
Profit or loss before tax	45,021,864	34,763,864
Income tax expense	-3,154,368	-1,789,672
Net profit or loss for the period	41,867,497	32,974,192
Earnings or loss per share (basic and diluted)	2.70	2.13